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No. 98-239

In the Supreme Court of the United States

OCTOBER TERM, 1998

HESTER INDUSTRIES, INC., PETITIONER,

v.

STEIN, INC., RESPONDENT.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF FOR RESPONDENT IN OPPOSITION

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32 pp

QUESTION PRESENTED

In a unanimous opinion, the Federal Circuit affirmed the district court's holding that petitioner did not comply with the "error" provision of the reissue statute (35 U.S.C. § 251) when it applied for (and obtained) a reissue patent broadened to obtain coverage of subject matter surrendered during original prosecution. The Federal Circuit's opinion decided an issue of first impression that raises no conflicts for this Court to resolve, cited only Federal Circuit precedent, and identified no points of disagreement, either with Federal Circuit precedent or with precedent of this Court.

The question presented is as follows:

Whether the 1952 Patent Act defined the standard for error correctable by reissue so as to permit petitioner to recapture subject matter surrendered through dozens of arguments advanced in multiple submissions to the Patent & Trademark Office.

LIST OF PARTIES AND RULE 29.6 STATEMENT

The parties to the proceeding in the United States Court of Appeals for the Federal Circuit were petitioner Hester Industries, Inc., and respondent Stein, Inc. For purposes of Rule 29.6, the respondent states that it is the wholly-owned subsidiary of FMC Corporation.

TABLE OF CONTENTS

QUESTION PRESENTED i

LIST OF PARTIES AND RULE 29.6 STATEMENT ii

STATUTE INVOLVED 1

STATEMENT OF THE CASE 1

A. Argument, Amendment, And Cancellation . . . 2

B. Hester's Invention And Original Patent 3

C. Hester's Reissued Patents 5

D. The District Court's Decision 6

E. The Federal Circuit's Affirmance 8

REASONS FOR DENYING THE PETITION 10

I. THE FEDERAL CIRCUIT'S DECISION DOES NOT CONFLICT WITH THE 1952 PATENT ACT 11

A. This Court Has Repeatedly Found No Correctable "Error" In Cases With No Claim Amendment Or Cancellation 13

B. Federico's Commentary Does Not Create A Conflict Between The 1952 Patent Act And The Federal Circuit's Decision 15

C. The Federal Circuit Has Consistently Found No Correctable "Error" Where Claims Were Not Abandoned Or Amended 16

D. The Federal Circuit's Decision Does Not Conflict With 35 U.S.C. § 252 18

II. THERE IS NO "CONFLICT" BETWEEN THE FEDERAL CIRCUIT AND THE PTO . . . 19

III. THIS CASE RAISES NONE OF THE ISSUES DECIDED IN *WARNER-JENKINSON* . . . 20

CONCLUSION 23

TABLE OF AUTHORITIES

Cases: **Page:**

Alpex Computer Corp. v. *Nintendo Co.*, 102 F.3d 1214 (Fed. Cir. 1996), cert. denied, 117 S. Ct. 2480 (1997) 22

Black v. *Cutter Labs.*, 351 U.S. 292 (1956) 21

Bonito Boats, Inc. v. *Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989) 10

Byers, In re, 230 F.2d 451 (C.C.P.A. 1956) 13

Chevron U.S.A., Inc. v. *NRDC*, 467 U.S. 837 (1984) 21

Clement, In re, 131 F.3d 1464 (Fed. Cir. 1997) . . . 8, 9

Cole v. *Kimberly-Clark Corp.*, 102 F.3d 524 (Fed. Cir. 1996), cert. denied, 118 S. Ct. 56 (1997) 23

Coon v. *Wilson*, 113 U.S. 268 (1885) 14, 15, 16

Crawford v. *Heysinger*, 123 U.S. 589 (1887) 21

Gage v. *Herring*, 107 U.S. 640 (1883) . . 14, 15, 16, 21

Grant v. *Raymond*, 31 U.S. (6 Pet.) 218 (1832) 12

Gustafson v. *Alloyd Co.*, 513 U.S. 561 (1995) 16

Hewlett-Packard Co. v. *Bausch & Lomb, Inc.*, 882 F.2d 1556 (Fed. Cir. 1989) 17, 18

James v. *Campbell*, 104 U.S. 356 (1882) 13, 14

Lemelson v. *General Mills, Inc.*, 968 F.2d 1202 (Fed. Cir. 1992) 22

Mahn v. *Harwood*, 112 U.S. 354 (1884) 19

Markman v. *Westview Instruments, Inc.*, 52 F.3d 967 (Fed. Cir. 1995), aff'd, 517 U.S. 370 (1996) . . 10

Markman v. *Westview Instruments*, 517 U.S. 370 (1996) 2

Mentor Corp. v. *Coloplast, Inc.*, 998 F.2d 992 (Fed. Cir. 1993) 9, 22

Newton v. *Furst & Bradley Mfg. Co.*, 119 U.S. 373 (1886) 14, 15, 16

Orita, In re, 550 F.2d 1277 (C.C.P.A. 1977) 13

Rite-Hite Corp. v. *Kelley Co.*, 56 F.3d 1538 (Fed. Cir. 1995) 10

Shepard v. *Carrigan*, 116 U.S. 593 (1886) 21

Sontag Chain Stores Co. v. *National Nut Co.*, 310 U.S. 281 (1940) 18

Southwall Technologies, Inc. v. *Cardinal IG Co.*, 54 F.3d 1570 (Fed. Cir. 1995) 23

Standard Oil v. *American Cyanamid Co.*, 774 F.2d 448 (1985) 23

Texas Instruments, Inc. v. *United States Int'l Trade Comm'n*, 988 F.2d 1165 (Fed. Cir. 1993) . 9, 21, 23

U.S. Indus. Chem., Inc. v. *Carbide & Carbon Chem. Corp.*, 315 U.S. 668 (1942) 10

United States v. *Texas*, 507 U.S. 529 (1993) 16

Warner-Jenkinson Co. v. *Hilton Davis Chem. Co.*, 117 S. Ct. 1040 (1997) 20, 22

Weiler, In re, 790 F.2d 1576 (Fed. Cir. 1986) . . 13, 17, 18

Wisniewski v. *United States*, 353 U.S. 901 (1957) 11

Statutes and Regulations:

35 U.S.C. § 102 2

35 U.S.C. § 103 2

35 U.S.C. § 111 2

35 U.S.C. § 112 2

35 U.S.C. § 251 . . . . . *passim*

35 U.S.C. § 252 18

37 C.F.R. § 1.51 2

37 C.F.R. § 1.75 2

37 C.F.R. § 1.104 2

37 C.F.R. § 1.104(a)(1) 2

37 C.F.R. § 1.104(c)(2) 2

37 C.F.R. § 1.111(b) 2

37 C.F.R. § 1.111(c) 2

37 C.F.R. § 1.175 . . . . . 6, 20

Patent Act of July 3, 1832, Ch. 162, 4 Stat. 559, § 3 . . 12

Patent Act of July 4, 1836, Ch. 357, 5 Stat. 117, § 13 . 12

Patent Act of July 8, 1870, Ch. 230, 16 Stat. 198, § 53 12

Patent Act of May 24, 1928, Ch. 730, 45 Stat. 732, § 4916 12

Miscellaneous:

Commentary to PTO Revision of 37 C.F.R. § 1.175, printed in 54 Pat. Trademark & Copyright J. (BNA) 544 (Oct. 16, 1997) 20

H.R. Rep. No. 312, 97th Cong., 1st Sess. (1981) . . . 10

S. Rep. No. 275, 97th Cong., 1st Sess. (1981) 10

Respondent Stein, Inc. ("Stein") respectfully requests that this Court deny the petition for a writ of certiorari seeking review of the Federal Circuit's decision in this case.

STATUTE INVOLVED

The only rule of decision applicable to this case is the prohibition against recapture during reissue proceedings of subject matter surrendered during original prosecution. This recapture rule is derived from the statutory requirement that reissue be sought solely for the correction of error, which is codified at 35 U.S.C. § 251:

> Whenever any patent is, *through error without any deceptive intention*, deemed wholly or partly inoperative or invalid, by reason of a defective specification or drawing, or by reason of the patentee claiming more or less than he had a right to claim in the patent, the Commissioner shall, on the surrender of such patent and the payment of the fee required by law, reissue the patent for the invention disclosed in the original patent, and in accordance with a new and amended application, for the unexpired part of the term of the original patent. No new matter shall be introduced into the application for reissue. (Emphasis added.)

STATEMENT OF THE CASE

Hester's petition challenges the Federal Circuit's application of the recapture limitation on the scope of correctable error to the specific facts and circumstances of Hester's prosecution of its original patent (U.S. Patent No. 4,582,047) and two reissue patents (U.S. Patent Nos. Re. 33,510 and Re. 35,259) before the Patent & Trademark Office (PTO). Specifically, Hester argues that the Federal Circuit erred in holding "that the recapture doctrine is not limited to claim amendments but also encompasses attorney arguments alone without any claim amendments." Pet. 8.

That argument touches upon narrow issues of patent prosecution practice and procedure before the PTO, for which some background is essential to a full understanding of the decisions below.

A. Argument, Amendment, And Cancellation

The patenting process begins with the filing in the PTO of a patent application, which includes (except in the case of provisional applications) one or more claims that "particularly point[] out and distinctly claim[] the subject matter which the applicant regards as his invention or discovery." 35 U.S.C. §§ 111, 112; 37 C.F.R. §§ 1.51, 1.75. Once approved by the PTO examiner and issued as a patent, the claims define the legal scope of the patentee's exclusive right. See *Markman* v. *Westview Instruments*, 517 U.S. 370 (1996). The PTO examiner is expected to "make a thorough study" of the application and "a thorough investigation of the available prior art relating to the subject matter of the claimed invention." 37 C.F.R. § 1.104. If the invention is not considered patentable as claimed, the examiner must reject the claim. 37 C.F.R. § 1.104(a)(1). When that rejection is based upon failure of the invention to comply with the novelty (35 U.S.C. § 102) and nonobviousness (35 U.S.C. § 103) provisions of the patent statute, the examiner "must cite the best [prior art] references at his command" and clearly explain the pertinence of each reference to each rejected claim. 37 C.F.R. § 1.104(c)(2). The applicant may respond with *argument* that "distinctly and specifically points out the supposed errors in the examiner's action." 37 C.F.R. § 1.111(b). The applicant may *amend* the claim(s) and "show how the amendments avoid such references or objections." 37 C.F.R. § 1.111(c). The applicant may *cancel* rejected claim(s), so that those claim(s) which are not rejected may issue in a patent. By these three devices—argument, amendment, and cancellation—the PTO

examiner and the patent applicant define what the patent should cover, and what it must exclude.

These principles may be illustrated through the example of a novel three-legged chair, fully described in a patent application for which chairs of the four-legged variety are prior art. The applicant may arrive at a patent claiming a three-legged chair (and surrendering coverage of four-legged chairs) through amendment, cancellation, or argument. In the first instance, the applicant claims "chairs," but amends the claim to recite "three-legged chairs" when the PTO examiner rejects the claim, citing the four-legged chairs of the prior art. In the second instance, the applicant specifies "chairs" in one claim and "three-legged chairs" in another, but cancels the broader first claim in response to the same rejection. In the third instance, the applicant claims only "three-legged chairs" and then argues for patentability over four-legged chairs without need to amend or cancel a claim. In each instance, the result is the same—limited coverage of three-legged chairs with a surrender of coverage for four-legged chairs. Hester asks this Court to find that Congress, in enacting the 1952 Patent Act, defined the recapture limitations on correctable "error" so as to include surrenders of the first and second sort, but to exclude surrenders of the third sort. Nothing in the 1952 Patent Act or its legislative history indicates that Congress intended or accomplished that result.

B. Hester's Invention And Original Patent

Hester's invention relates to industrial cookers. In the late 1970s, Charles Williams, the sole inventor named on the patents asserted in this case, bought from the Certified Manufacturing Company a steam cooker that employed a spiral conveyor to carry through its housing the products to be cooked. This Certified cooker provided steam inlets to be attached to an external steam source, which Williams

attached to that cooker after it was delivered to Hester. Williams later modified the Certified cooker to include a second steam source. This second steam source was inside of the cooker housing and included a heat exchanger in a water pan located at the bottom of the Certified cooker. Thus, the physical embodiment of the invention that Williams developed (as distinguished from the one purchased from Certified) employed two sources of steam (one internal and one external) and no other source of cooking heat.

Williams' modifications of the Certified cooker were the basis of a patent application that Hester filed on July 26, 1979. It issued on April 15, 1986, as U.S. Patent No. 4,582,047—the original patent that was ultimately reissued as the patents asserted in this case. The '047 patent highlighted the advantages of using two sources of steam, and emphasized that cooking solely with steam was an essential feature of Hester's cooker: "[t]he cooking is solely with water droplet free steam near 100° C and 100% humidity at a pressure above atmospheric." Consistent with what Williams actually worked with and disclosed in his patent application, Hester presented for examination a single independent claim (along with several dependent claims), which required cooking solely with steam from two sources. Pet. App. 4a-5a.

The examiner rejected Hester's original claims because they claimed subject matter that was obvious in light of prior art patents that disclosed steam cookers using one source of steam, including U.S. Patent Nos. 3,736,860 (to Vischer) and 2,011,247 (to Jourdan). Hester responded to these rejections by emphasizing on numerous occasions over a period of three years that its cooker was patentable over this (and other) prior art because it (1) employs two distinct steam sources, and (2) cooks solely with steam. The first limitation was urged at no less than 15 places in at least five

papers Hester submitted to the PTO; the second was urged at no less than 27 places in six papers. Pet. App. 21a-22a. In a reply brief submitted to the PTO Board of Patent Appeals on appeal from the examiner's final rejection of its claims, Hester explained that these two features of its invention interact to provide a "synergy" that is "novel and nowhere suggested in any of the cited art." *Id.* at 8a.

Based on these explicit representations as to what Hester actually invented, the PTO Board of Patent Appeals reversed the examiner's rejections and allowed the original patent to issue. The Board's decision identifies the "two steam source" and "steam only" cooking features of Hester's invention as the basis for its patentability:

> [We] find no suggestion in the combined teachings of the references which would have led the ordinarily skilled worker in the art to an apparatus utilizing steam as the sole cooking medium; utilizing two separate sources of steam, one of which includes a pool of water in the cooking chamber with means for boiling the water; and wherein the atmosphere within the cooking chamber is maintained above atmospheric by the two sources of steam.

Pet. App. 8a. Hester was issued U.S. Patent No. 4,582,047 on April 15, 1986. The claims of the '047 Patent are limited to cooking solely with two sources of steam.

C. Hester's Reissued Patents

Hester sought reissue to broaden the claims in its original patent to cover Stein's cooker. Williams and Hester were prompted to evaluate their patent position when they learned in 1988 that Stein was developing a steam cooker that employed a spiral conveyor. Hester's litigation counsel advised Hester that its original patent may not cover systems such as Stein's that used a non-steam source in conjunction

with a source of steam (or only a single steam source) to heat and cook food products. Pet. App. 41a. To sue Stein, Hester needed a much broader patent. Because Hester could not file a new application to ensnare Stein's ovens, Hester attempted to accomplish the same result through reissue of its original patent.

On April 15, 1988, Hester filed an application for reissue of the '047 Patent, which led to both of the reissue patents that Hester asserted in this case. Then-applicable regulations of the PTO obliged Hester to support this application with an oath that distinctly specifies each excess or insufficiency in the claims and particularly specifies "the errors relied upon, and how they arose or occurred." 37 C.F.R. § 1.175. To comply with that requirement, Hester tendered an oath of its inventor acknowledging that the claims of his original patent were limited to cooking solely with steam from two sources and announcing his desire to correct this "oversight." Pet. App. 42a. To comply with the statutory requirement of showing that these deficiencies arose through "error," Williams offered only a bare averment that these defects were due to "the failure of patent attorney Lawrence R. Brown to appreciate the full scope of [his] invention." *Ibid.* Hester submitted nothing from Mr. Brown to corroborate Williams' hearsay speculation as to Mr. Brown's alleged failure "to appreciate the full scope" of Williams' cooker. Pet. App. 51a.

D. The District Court's Decision

On the basis of the undisputed public record of Hester's original prosecution, Stein moved for summary judgment declaring that each of the asserted claims of Hester's patent is invalid under 35 U.S.C. § 251. Stein's motion urged two distinct bases for invalidity under § 251—want of reissue "error" and failure to claim the invention disclosed in the original patent. Stein's summary judgment motion was

denied by Judge James Cacheris on January 3, 1997, on the basis of "fact issues" that Hester contended were raised by a declaration of its technical expert. Two months later, in argument on a motion in limine to exclude all reference to the original prosecution, Hester urged the judge assigned to try the case (T.S. Ellis) that he could evaluate the sufficiency of Stein's § 251 defenses as a matter of law. Judge Ellis permitted Stein to reargue its motion, accepted briefing on the issue, and then ruled in Stein's favor in a bench opinion rendered on March 25, 1997. Pet. App. 62a-80a. The bench opinion was reduced to a written opinion on May 6, 1997. *Id.* at 31a-61a. Judge Ellis found that each of Hester's asserted claims is invalid for failure to satisfy both the "error" and the "original invention" requirements of § 251.

Acknowledging the liberal construction that must be afforded the reissue statute, Judge Ellis concluded that not everything that might be labeled "error" is correctable through reissue. Pet. App. 39a. Although an attorney's failure to appreciate the scope of an invention might be a sufficient basis for reissue error, Judge Ellis found that the patent record conclusively refuted such a position in this case. *Id.* at 42a-43a. Noting that the steam source limitations at issue involve straightforward language "featured prominently in the patent," Judge Ellis determined that they must have been the product of deliberate choice, not error. *Id.* at 44a. This conclusion was further supported by an extensive review of the prosecution record, which was found to "refute any conclusion that the limitation of the 047 patent to ovens cooking solely with steam from two steam sources resulted from patent counsel's failure to appreciate the scope of Williams' invention." *Id.* at 50a.

E. The Federal Circuit's Affirmance

The Federal Circuit affirmed the district court's judgment and ruled that Hester's patents failed to satisfy the "error" requirement of § 251. Pet. App. 26a. The basis for this conclusion differed from that advanced by the district court. The Federal Circuit found that Hester's conduct in reissue was "addressed most squarely by the 'recapture rule'" which was presented to the district court among Stein's arguments for invalidity, but not expressly addressed by the district court. *Id.* at 17a. Citing its own precedent, the Federal Circuit summarized the recapture rule as one which "prevents a patentee from regaining through reissue * * * subject matter that he surrendered in an effort to obtain allowance of the original claims." *Ibid.* The court explained that this rule is rooted in the "error" requirement of 35 U.S.C. § 251 in that such a surrender is not the type of correctable "error" contemplated by the reissue statute. *Ibid.* Hester's petition does not question the court's formulation of the "recapture" limitation on reissue "error." That formulation is supported by extensive Federal Circuit precedent—precedent that has not drawn a single dissent in the panels that have produced it.

In applying the recapture rule to the facts of this case, the Federal Circuit followed the two-step analysis set forth in *In re Clement*, 131 F.3d 1464 (Fed. Cir. 1997). The first step of that analysis is to determine in what respects a reissue claim is broader than the original patent claims. The second is to determine whether the broadened aspects of the reissue claims relate to subject matter that was surrendered during original prosecution. Pet. App. 18a. As to the first step, the court found no dispute "that the asserted reissue claims are broader than the original patent claims in that the reissue claims do not include the 'solely with steam' and 'two sources of steam' limitations found in each of the original

patent claims." *Id.* at 18a. That finding is not challenged in Hester's petition.

Turning to the second question, the court acknowledged that its decisions finding impermissible recapture involved claim amendments or cancellations, but reasoned that "[a]rguments made to overcome prior art can equally evidence an admission sufficient to give rise to a finding of surrender." Pet. App. 19a. The court found (and Hester agrees) that this issue was one of first impression. To resolve that question, the court cited (1) previous cases (*Clement* and *Mentor Corp.* v. *Coloplast, Inc.*, 998 F.2d 992 (Fed. Cir. 1993)) that relied upon arguments made in combination with claim amendments as evidence of surrender; (2) the policy of the recapture rule, which prevents the reissue statute from being "construed in such a way that competitors, properly relying on prosecution history, become patent infringers when they do so"; and (3) the similarity of the recapture rule to prosecution history estoppel, which (under Federal Circuit precedent) "can arise by way of unmistakable assertions made to the Patent Office in support of patentability, just as it can by way of amendments to avoid prior art." Pet. App. 19a-21a.[1/] The court concluded that "in a proper case, a surrender can occur through arguments alone." *Id.* at 21a. Citing Hester's multiple assertions that

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[1/] The Federal Circuit cited *Texas Instruments, Inc.* v. *United States Int'l Trade Comm'n*, 988 F.2d 1165, 1174 (Fed. Cir. 1993), in which it held that "[a]mendment of a claim in light of a prior art reference * * * is not the *sine qua non* to establish prosecution history estoppel. Unmistakable assertions made by the applicant to the Patent and Trademark Office (PTO) in support of patentability, whether or not required to secure allowance of the claim, also may operate to preclude the patentee from asserting equivalency between a limitation of the claim and a substituted structure or process step."

the "two sources of steam" and "solely with steam" limitations distinguished the claimed invention from prior art, the Federal Circuit found that "Williams, through his admission effected by way of his repeated prosecution arguments, surrendered claim scope that does not include these limitations." *Id.* at 22a.

The panel decision was unanimous. Other than questioning the continued authority of *U.S. Indus. Chem., Inc.* v. *Carbide & Carbon Chem. Corp.*, 315 U.S. 668 (1942), on an issue separate from that identified in Hester's petition, it neither declined to follow nor disagreed with its own precedent or any precedent of this Court. Notwithstanding the Federal Circuit's practice of *sua sponte* granting *en banc* rehearing of cases that present controversial issues,[2/] no such rehearing was ordered here. Nor was it sought by Hester.

REASONS FOR DENYING THE PETITION

The question presented raises no issue of general significance and the holding below conflicts with no decision of this Court or any other court. The question involves application of a specialized rule of patent law to very specific facts (*viz.* to the 42 arguments made by petitioner in six PTO submissions). The court which issued this holding was created by Congress "to provide nationwide uniformity in patent law." *Bonito Boats, Inc.* v. *Thunder Craft Boats, Inc.*, 489 U.S. 141, 162 (1989) (quoting H.R. Rep. No. 312, 97th Cong., 1st Sess. 20 (1981)); see also S. Rep. No. 275, 97th Cong., 1st Sess. 3-6 (1981) (Federal Circuit created to provide "definitive" answers to patent questions so as to relieve burden of this Court). The Federal Circuit's opinion

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[2/] See *Rite-Hite Corp.* v. *Kelley Co.*, 56 F.3d 1538, 1542 (Fed. Cir. 1995); *Markman* v. *Westview Instruments, Inc.*, 52 F.3d 967, 970 (Fed. Cir. 1995), aff'd, 517 U.S. 370 (1996).

in this case advances the cause of uniformity. It reflects no intra-circuit divergence of opinion among the judges of the Federal Circuit, and conflicts with no precedent of this or any other court.[3/]

Hester argues that the Federal Circuit's decision in this matter conflicts with (1) the 1952 codification of the Patent Statute and (2) the PTO's current examination practice. In making these arguments, Hester disregards the plain language of the statute and the most pertinent precedent of both this Court and the Federal Circuit. Hester also ignores the current examination practice of the PTO and the role of the federal courts in reviewing PTO determinations of patentability. The Federal Circuit violated no rule of law when it found that Hester failed to satisfy the error requirement of § 251. That decision was a permissible exercise of the power granted by Congress when it created the Federal Circuit and vested it with exclusive appellate jurisdiction in patent matters.

I. THE FEDERAL CIRCUIT'S DECISION DOES NOT CONFLICT WITH THE 1952 PATENT ACT.

Based upon a misreading of a single phrase of commentary (not legislative history) relating to the 1952 Patent Act, Hester contends that there is no bar to the reissue of patents except when claims were amended or abandoned during original prosecution. Pet. 19. But there is nothing in the language of § 251 that draws any distinction between claims that were amended or canceled and claims that were not.

[3/] Even if there were an intra-circuit conflict, the Federal Circuit sitting *en banc* would be fully capable of resolving it without the intervention of this Court. See *Wisniewski* v. *United States*, 353 U.S. 901, 902 (1957) ("[i]t is primarily the task of a Court of Appeals to reconcile its internal difficulties"), and n.2, *supra*.

And there is nothing in the text of § 251 that suggests a patentee may recover subject matter surrendered by argument, as opposed to subject matter surrendered by cancellation or amendment. To support its reading of the statute, Hester's petition relies not on the text of the statute, but on phantom "intent" never expressed in the legislative history. Review of the history of reissue practice, of the relevant legislative enactments, of the precedent of this Court (and the Federal Circuit), and of the commentary relied upon by Hester exposes Hester's proposed rule as pure fiction.

The history of reissue practice begins with *Grant* v. *Raymond*, 31 U.S. (6 Pet.) 218 (1832), in which this Court approved the Secretary of State's decision to reissue an asserted patent, notwithstanding the absence (at that time) of any express statutory authority for such reissue. This Court found that the Secretary's reissue to correct "inadvertent error" gave effect to the "object and intention" of the patent act, and did not depart "from the spirit and character of the act." *Id.* at 243. Following this Court's lead, Congress promptly amended the patent statute to authorize reissue to correct "invalid or inoperative" patents that were obtained through "inadvertence, accident or mistake." Patent Act of July 3, 1832, Ch. 162, 4 Stat. 559, § 3. Language limiting reissue to correction of "error * * * by inadvertence, accident, or mistake" was employed in subsequent codifications of the patent laws in 1836, 1870, and 1928.[4/]

The 1952 codification of the patent laws replaced this language with reference to "error without any deceptive intention." 35 U.S.C. § 251. Although this Court has not addressed the validity of a reissued patent since that codifica-

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[4/] Patent Act of July 4, 1836, Ch. 357, 5 Stat. 117, § 13; Patent Act of July 8, 1870, Ch. 230, 16 Stat. 198, § 53; Patent Act of May 24, 1928, Ch. 730, 45 Stat. 732, § 4916.

tion, the Federal Circuit (and its predecessor, the Court of Customs and Patent Appeals) has held that there is no difference between the "error without any deceptive intention" language of the 1952 Patent Act and the "inadvertence, accident, or mistake" language of the prior enactments. *In re Weiler*, 790 F.2d 1576, 1582 (Fed. Cir. 1986); *In re Orita*, 550 F.2d 1277, 1281 (C.C.P.A. 1977); *In re Byers*, 230 F.2d 451, 454 (C.C.P.A. 1956). Hester's alleged "legislative history"—a 1954 commentary of PTO Examiner Federico on the 1952 Patent Act published two years after its enactment—confirms the absence of any "indication in the printed record that this change in language was intended to effect any change in substance." Pet. App. 85a.

A. This Court Has Repeatedly Found No Correctable "Error" In Cases With No Claim Amendment Or Cancellation.

If Hester's argument were correct, one would expect that under the pre-1952 patent statutes, this Court would have sustained the validity of all reissued patents claiming subject matter that was not surrendered through claim amendment or cancellation. But Hester is not correct. On at least four occasions, this Court invalidated for want of correctable "error" reissued patents claiming subject matter that was *not* surrendered through amendment or cancellation.

In *James* v. *Campbell*, 104 U.S. 356 (1882), the asserted patent related to a stamp for postmarking letters and canceling postage stamps. The original claims required a blotter made of "wood, cork or rubber." The reissued claims permitted "cork, wood, or other suitable material." Citing representations in the specification that the use of elastic materials such as cork or rubber afforded advantages over the use of metal, this Court found that any claim which could be construed to embrace a blotter made of metal was void, since the omission of claims having such scope could

not have been a product of inadvertence or mistake. *Id.* at 375-76. If the patentee in that case presented, but canceled or amended, the broader claims during original prosecution, that fact is neither mentioned in this Court's opinion nor cited in support of this Court's determination of invalidity.

In *Gage* v. *Herring*, 107 U.S. 640 (1883), the original patent claimed a device for cooling and drying meal as an arrangement and combination of seven elements. The first claim in the reissued patent was broader in that it claimed a combination of only five of the seven elements recited in the original patent claim. There is no indication that the broadened subject matter of the first claim was surrendered by cancellation or amendment during original prosecution. In addition to citing the patentee's delay in seeking reissue, this Court found there was no correctable error. *Id.* at 645.

The original patent in *Coon* v. *Wilson*, 113 U.S. 268 (1885), covered a collar having short or sectional bands. On reissue, the patentee added claims to a collar having a single band that is curved and tapered—claim scope that this Court's opinion does not indicate was surrendered by amendment or cancellation during original prosecution. The Court, nevertheless, invalidated the patent, finding that reissue was "sought merely to enlarge the claim of the original patent, by repeating that claim and adding others" and that "no mistake or inadvertence is shown, so far as the short or sectional bands are concerned." *Id.* at 277.

The original patent in *Newton* v. *Furst & Bradley Mfg. Co.*, 119 U.S. 373 (1886), was directed to an improvement in plows. It claimed a combination of a lever, a rod, and a brake "arranged and operated as and for the purpose described." *Id.* at 381. The claims of the reissued patent were directed to a different combination—a swing-axle, a carrying wheel, and a "friction-clutch mechanism." *Ibid.* There is no indication anywhere in this Court's opinion that

the combination claimed in reissue was abandoned by cancellation or amendment during original prosecution. Once again, this Court found that the error requirement was not met. *Id.* at 385.

If, as Stein and Hester agree, the 1952 Patent Act effected no change in the legal standard of correctable "error," then there is no reason for this Court to grant Hester's petition. As *James, Gage, Coon*, and *Newton* all establish, the scope of correctable "error" has never been so broadly interpreted as to allow the patentee to reissue *any* claim that was not abandoned through cancellation or amendment. Nothing in this Court's pre-1952 case law contradicts or is inconsistent with the Federal Circuit's determination that the "error" requirement of § 251 was not satisfied when Hester claimed subject matter that it surrendered at least 42 times by argument. Thus, by Hester's own admission, nothing in the 1952 Patent Act is inconsistent with the Federal Circuit's decision in this case.

B. Federico's Commentary Does Not Create A Conflict Between The 1952 Patent Act And The Federal Circuit's Decision.

Ignoring this Court's pre-1952 "error" precedent, Hester attempts to create a conflict with the 1952 Patent Act by misreading Federico's commentary and then improperly elevating this misreading to the status of "definitive legislative history." Through this device, Hester arrives at its conclusion that there is no bar to reissue "so long as there has been no claim amendment or cancellation."

Federico's commentary is obviously not "legislative history." Although Federico participated in drafting the language of the 1952 Patent Act, he was not a member of Congress. He served on no staff, either of any individual Congressman or of any Congressional Committee (although

he acted as a consultant for the House Committee). He did not participate in the deliberative process surrounding enactment of the 1952 Patent Act. See *Gustafson* v. *Alloyd Co.*, 513 U.S. 561, 580 (1995) ("If legislative history is to be considered, it is preferable to consult the documents prepared by Congress when deliberating"). And his commentary was never adopted as legislative history. Indeed, it was written well after enactment and for that reason alone is not "legislative history." See *United States* v. *Texas*, 507 U.S. 529, 535 n.4 (1993). Nothing in the plain language of § 251 indicates that Congress intended that reissue be available in all instances where claim scope was not surrendered by cancellation or amendment. Federico's commentary on the 1952 Patent Act *cannot* support such a gloss.

And Frederico's commentary *does not* support the "legislative intent" that Hester advocates. Federico says only that the "error" provisions of the prior patent statutes were "liberally construed." He does not suggest that this "liberal construction" permitted reissue in all instances, except when the patentee sought claims surrendered through amendment or abandonment. Any such a suggestion would have been ridiculous—given this Court's decisions in *James, Gage, Coon*, and *Newton*.

C. The Federal Circuit Has Consistently Found No Correctable "Error" Where Claims Were Not Abandoned Or Amended.

Hester claims that the Federal Circuit "improperly revised" § 251 by invalidating reissued claims that were not canceled or surrendered by amendment during original prosecution. Pet. 21. If so, that "revision" was accomplished long before the Federal Circuit's decision in this case. On at least two occasions before this one, the Federal Circuit has invalidated (or held unpatentable) for want of

correctable "error" reissued claims that were not canceled or amended during original prosecution.

In the first case, *In re Weiler*, 790 F.2d 1576 (Fed. Cir. 1986), the original patent claimed a method for the quantitative analysis of "limonin." In reissue, the patentee sought claim 13, directed to a method for developing citrus strains low in limonin by identifying mutants having a low limonin content, and claim 19, directed to a gamma globulin fraction including antibodies reactive with limonin. The subject matter of claims 13 and 19 was not presented during original prosecution. Yet the Federal Circuit affirmed the Board of Patent Appeals and Interference's determination of invalidity, since Weiler "made [no] showing on which error could be found as the cause of his failure to claim the subject matter of claims 13 and 19." *Id.* at 1582-1583. Thus, the Federal Circuit found no correctable "error" within the meaning of § 251, even though the claims were not abandoned by amendment or cancellation.

In the second case, *Hewlett-Packard Co.* v. *Bausch & Lomb Inc.*, 882 F.2d 1556 (Fed. Cir. 1989), the patentee sought reissue to add claims of a narrower scope, directed to specific features of an X-Y plotter disclosed in the original patent. Litigation discovery demonstrated the falsehood of affidavits submitted to the PTO in support of the patentee's claim of correctable error. The affidavits asserted error arising out of poor communication between the inventor and his attorney; the attorney's diary showed frequent contact. The patentee urged that the attorney affidavit was immaterial, contending that correctable "error" is present whenever a patentee could have, but did not, include a narrower claim during original prosecution. This argument, which is substantially identical to the one advanced by Hester, was rejected by the Federal Circuit as collapsing the defect and error provisions of § 251 into a single inquiry, wherein the

omission of claims gives rise to an inference of "oversight." *Id.* at 1565. Once again, the Federal Circuit found no correctable "error" within the meaning of § 251 even though the claims were not abandoned by amendment or cancellation.

In short, this case does not present any break with post-1952 reissue law. Twice previously, the Federal Circuit refused to find correctable error in cases where the reissued claims were not canceled or surrendered by amendment in original prosecution. The Federal Circuit's decision in this case is completely consistent with *Weiler* and *Hewlett-Packard*, and with prior decisions of this Court.

D. The Federal Circuit's Decision Does Not Conflict With 35 U.S.C. § 252.

Hester's petition (at 23) criticizes the Federal Circuit's decision for failure to consider "the factors legislatively mandated by the last paragraph of Section 252." In so doing, Hester mixes statutory apples and oranges. As the Federal Circuit explained, section 251 sets forth two substantive conditions for the validity of a reissued patent—that it be issued only for certain correctable errors, and that it claim the "invention disclosed in the original patent." Pet. App. 15a-16a. Once the Federal Circuit determined that recapture of subject matter surrendered through argument was not correctable "error," it held Hester's reissued patents invalid under § 251.

Section 252, in contrast, presumes a valid patent. That provision codifies the equitable doctrine of "intervening rights," as set forth by this Court in *Sontag Chain Stores Co.* v. *National Nut Co.*, 310 U.S. 281 (1940). Under this doctrine, a court may grant an accused infringer a limited right to continue a practice that infringes a reissued claim, but not an original patent claim, typically for a time suffi-

cient to recoup its investment. Once the Federal Circuit invalidated Hester's reissued claims, there was no need to evaluate Stein's entitlement to "intervening rights," since Stein required no such "rights."

II. THERE IS NO "CONFLICT" BETWEEN THE FEDERAL CIRCUIT AND THE PTO.

Hester's petition hypothesizes a conflict between the Federal Circuit's decision and "long-standing USPTO practice." Pet. 22. As evidence of this alleged "long-standing practice," Hester cites the issuance of its own patents! *Id.* at 8. Hester's suggestion that each of the hundreds of patents that are reissued each year is now at risk is baseless.[5/] There is no reason to believe that patent applicants and the PTO have made a "practice" of violating the law by seeking and granting reissued patents that do not comply with the "error" requirements of § 251. If there were such a "practice" within the PTO, that practice would be owed no deference by the Federal Circuit or any other court in this country. As this Court has observed:

> Where it is evident that the commissioner, under a misconception of the law, has exceeded his authority in granting or reissuing a patent, there is no sound principle to prevent a party sued for its infringement from availing himself of the illegality, independently of any statutory permission so to do.

Mahn v. *Harwood*, 112 U.S. 354, 358 (1884). In such cases, "the courts are not bound by the decision of the commissioner." *Ibid.*

[5/] A LEXIS search immediately preceding the filing of this Brief in Opposition reveals that no district court has cited either the Federal Circuit's or the District Court's decision in supporting a judgment that invalidated a reissued patent.

Whatever potential for "conflict" might be raised through judicial review of § 251 "error" compliance was eliminated by the PTO in December 1997. Effective December 1, the PTO revised its regulations relating to the content of the reissue oath or declaration to eliminate the requirement for a factual showing of how the error(s) to be corrected by reissue arose or occurred. See *Commentary to PTO Revision of 37 C.F.R. § 1.175*, printed in 54 Pat. Trademark & Copyright J. (BNA) 544 (Oct. 16, 1997). In responding to comments that judicial review of "error" compliance is difficult to obtain, and that the courts and public are at a disadvantage absent an explanation of how the applicant's alleged error occurred, the Patent Office cited its inability to subpoena witnesses and evidence. In other words, the Patent Office has left it to the federal courts to police compliance with the "error" requirement of § 251. Under these circumstances, neither the Federal Circuit nor any other court could possibly invalidate a reissued patent in a manner that conflicts with a PTO standard for evaluating correctable error. Since December 1997, there has been no such "standard" because the PTO stopped examining reissue applications for correctable error.

III. THIS CASE RAISES NONE OF THE ISSUES DECIDED IN *WARNER-JENKINSON*.

Hester's petition purports to find tension between the Federal Circuit's decision in this case and those portions of this Court's decision in *Warner-Jenkinson Co.* v. *Hilton Davis Chem. Co.*, 117 S. Ct. 1040 (1997), relating to prosecution history estoppel as a limitation on infringement under the doctrine of equivalents. However, Hester's petition raises no issues of prosecution history estoppel, of infringement under the doctrine of equivalents, or of infringement in general. In fact, Hester admits that "*Warner-Jenkinson* does not address the equitable issue of

whether a patent owner can obtain a broadened reissue where there was no claim amendment or cancellation." Pet. 20. Instead, Hester complains that the Federal Circuit erred when it analogized the § 251 issue to surrenders under the doctrine of prosecution history estoppel of patent coverage pursuant to the doctrine of equivalents, which, under the Federal Circuit's precedent, may be effected by argument without cancellation or amendment. See *Texas Instruments*, 988 F.2d at 1173-74. Hester's objections are directed not to the *substance* of the Federal Circuit's holding in this case, but to its *reasoning*. Thus, Hester asks this Court to grant certiorari solely for the purpose of disagreeing with the Federal Circuit's reasoning (via analogy) in a case that raises no issues of prosecution history estoppel. But this Court reviews judgments, not opinions, *Chevron U.S.A., Inc.* v. *NRDC*, 467 U.S. 837, 842 (1984), or statements made in opinions. *Black* v. *Cutter Labs.*, 351 U.S. 292, 297 (1956).

Beyond this, the Federal Circuit's reasoning is sound. The analogy that the Federal Circuit drew between recapture limitations on the scope of correctable error and prosecution history estoppel limitations on the doctrine of equivalents is valid. The recapture rule and prosecution history estoppel share a common basis in this Court's case law—with cases under one doctrine frequently cited in or as support for the other. See *Crawford* v. *Heysinger*, 123 U.S. 589, 606 (1887) (citing a recapture case, *Leggett v. Avery*, 101 U.S. 256 (1880), as authority for a finding of prosecution history estoppel); *Shepard* v. *Carrigan*, 116 U.S. 593, 597-98 (1886) (same). And they share a common basis in policy—the exoneration of a competitor's reasonable reliance on the record that the patentee deliberately created in the PTO.[6/]

[6/] See *Gage*, 107 U.S. at 645 ("any mistake in the claim, which is the more important part, and upon which other inventors and the

Once the Federal Circuit drew this analogy, it was entirely correct in finding (citing *Texas Instruments*) that "[t]he same reasoning that led us to conclude that arguments alone can give rise to prosecution history estoppel lends support to the proposition that arguments alone can give rise to a surrender for purposes of the recapture rule." Pet. App. 21a. Moreover, the Federal Circuit has concluded that prosecution history itself, even apart from prosecution history estoppel, may affect the legal construction of the scope of patent claims. See *Alpex Computer Corp.* v. *Nintendo Co.*, 102 F.3d 1214, 1220 (Fed. Cir. 1996), cert. denied, 117 S. Ct. 2480 (1997). It follows, then, that the abandonment of arguments in order to win approval of claims may impact the legal construction of the claim scope to which the applicant is entitled for recapture purposes.

Hester gets nowhere by citing out of context a quotation from this Court's decision in *Warner-Jenkinson*. Pet. 15. The Court was not addressing the propriety of finding estoppel from argument—an issue concededly not before it in *Warner-Jenkinson*. Pet. 20. Instead, this Court merely pointed out that in each of its cases finding prosecution history estoppel, the surrender was tied to the avoidance of

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public have the right to rely, as defining the limits of the invention patented, would be apparent on the face of the patent and could not escape the notice of any person reading it with the least care and attention"); *Warner-Jenkinson*, 117 S. Ct. at 1051 ("The presumption * * * gives proper deference to the role of claims in defining an invention and providing public notice"); *Mentor*, 998 F.2d at 996 ("the reissue statute cannot be construed in such a way that competitors, properly relying on prosecution history, become patent infringers when they do so"); *Lemelson* v. *General Mills, Inc.*, 968 F.2d 1202, 1208 (Fed. Cir. 1992) ("Other players in the marketplace are entitled to rely on the record made in the Patent Office in determining the meaning and scope of the patent").

prior art or to some other concern that would have rendered the claimed subject matter unpatentable. The Court certainly gave no indication that it meant to overrule the numerous Federal Circuit cases finding estoppel from surrenders of subject matter by argument alone.[7/]

CONCLUSION

For the reasons set forth above, the petition for writ of certiorari should be denied.

Respectfully submitted.

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7/ See *Standard Oil* v. *American Cyanamid Co.*, 774 F.2d 448, 452 (1985); *Texas Instruments*, 988 F.2d at 1173-74; *Southwall Technologies, Inc.* v. *Cardinal IG Co.*, 54 F.3d 1570, 1576 (Fed. Cir. 1995); *Cole* v. *Kimberley-Clark Corp.*, 102 F.3d 524 (Fed. Cir. 1996), cert. denied, 118 S. Ct. 56 (1997).